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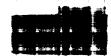
- 1. US delegation to UN concerned over Israeli intransigence--The US delegation to the UN in New York is increasingly concerned by reports of mounting Israeli intransigence with respect to: (a) the status of Jerusalem; (b) the UN Mediator and other truce enforcement authorities; and (c) the procurement of military supplies and personnel. The delegation believes that the reports, although exaggerated, have some basis in fact, it observes that if the reports are substantially true, they would indicate that Israel may damage its own cause irreparably and make the precarious peace in Palestine more difficult to mainfain. The US delegation recommends that the US, "as Israel's hest friend," call upon the Provisional Government of Israel: (a) to disavow such reports; (b) to demonstrate that its attitude is in fact peace-loving, through wholehearted cooperation with the Mediator, the Truce Commission, and the observers; and (c) to deal firmly with lewish extremists.
- 2. Smith's views on US withdrawal from Danube Conference -- US
 Ambassador Smith in Moscow believes that a firm stand by the
 US delegation at the Danube Conference in Belgrade will help
 the current conversations in Moscow. Smith also believes that
 US withdrawal from the conference prior to the end of the Moscow
 discussions might help the US position in Moscow.

ROPE

3. ITALY: Migration as possible aid to colonial settlement—US Embassy Rome suggests that in relation to discussions with the UK on the political settlement of former Italian colonies, the US consider the possibility of a broad plan to develop central Africa for emigration from Europe. The Embassy considers that, without an outlet for the surplus Italian population, US efforts to place Italy on a self-sustaining basis will not be adequate. The Embassy therefore suggests that the US propose to the UK, France, Belgium, and Portugal that a program of Italian

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State Department review completed

NO CHANGE in Class.

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emigration to central Africa be promoted as a contribution to general European recovery. The Embassy believes that relief from the pressure of surplus population might diminish the urgency of Italy's desire to regain its colonies.

(CIA Comment: CIA believes that this plan of migration to central Africa would neither satisfy Italian colonial aspirations nor contribute materially to the solution of Italy's overpopulation problem. Such a project, which could encounter opposition from the colonial powers, appears impracticable because: (a) there is a limited amount of land suitable for white settlement; (b) returns on capital investment necessary to increase the productivity of such areas would be slow and uncertain; (c) the discentent of natives pushed off their lands by additional white settlement would be exploited by nationalist agitators; and (d) the present white settlers would not well ome Italians.)

THE AMERICAS

4. PANAMA: Activities of Arnulfo Arias -- The Panamanian Ambassador has informed the Department of State that, despite Arnulfo Arias' presence in Costa Rica, Panamanians now believe that Costa Rica has "no intention" of intervening in Panamanian affairs.

The US Embassy in San Jose, Costa Rica, has informed the Department of State that there is no evidence in that country of an imminent Arias-inspired revolutionary movement against Panama.

(CIA Comment: CIA regards it as most unlikely that any of the Central American governments will either openly espouse the cause of Arnulfo Arias or lend him any significant clandestine support. Furthermore, CIA estimates that a successful coup by Arias against the established Panamanian government is unlikely so long as he remains in exile.)